

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6487

BILL NUMBER: SB 148

NOTE PREPARED: Jan 19, 2006

BILL AMENDED: Jan 19, 2006

SUBJECT: Use of CAGIT Revenue.

FIRST AUTHOR: Sen. Riegsecker

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill provides that County Adjusted Gross Income Tax (CAGIT) revenue in Elkhart County and Marshall County may also be used to operate and maintain jail facilities, juvenile court, detention, and probation facilities, other criminal justice facilities, and related buildings and parking facilities (in addition to the financing, construction, acquisition, renovation, and equipment of those facilities permitted under existing law).

Effective Date: (Amended) Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Elkhart and Marshall Counties would be allowed to use the revenue generated from the additional 0.25% CAGIT jail rate for jail operation and maintenance expenditures in addition to capital expenditures. Current law requires their CAGIT rates to return to 1.00% when construction and financing for their jails have been completed. However, both counties would be required to lower the jail rate to the level of jail operational costs once capital expenditures are completed. The jail rate would be in place (as adjusted for jail operational costs only) until an ordinance was passed to rescind the jail rate entirely.

Explanation of Local Revenues: (Revised) *Background Information:* Elkhart and Marshall Counties raised their CAGIT rates (both were 1.00%) in FY 2004 by 0.25% for jail construction. The following table

illustrates the rates and CAGIT certified distributions for CY 2006 in both counties.

County	FY 2006 Rate	CY 2006 CAGIT Certified Distribution*	CY 2006 Jail Portion of CAGIT	CY 2006 CAGIT County Certified Share
Elkhart	1.25%	\$44,411,610	\$8,882,322	\$10,731,683
Marshall	1.25%	\$9,304,992	\$1,860,998	\$2,435,745
*Elkhart and Marshall Counties both devote 25% of their certified distribution to property tax replacement. The remaining 75% of their distributions are split into certified shares.				

State Agencies Affected:

Local Agencies Affected: Elkhart County; Marshall County.

Information Sources: State Budget Agency; Elkhart County Auditor; LOGODABA.

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